

G. 2000 AFFIRMATIVELY FURTHERING FAIR HOUSING PLAN

INTRODUCTION

The most significant impediment to fair housing choice in the State of Utah in the year 2000, we can say with confidence, is the supply and diversity of housing. The solution to this problem is extremely complex politically and financially. In reevaluating our “analysis of impediments” we have found over the last 5 years that without strong political support we cannot get the financial resources necessary to adequately deal with the problems. The thing we have learned is that we must educate decision makers so that they really understand the magnitude of the problem. Our efforts to eliminate impediments which stand in the way of allowing all persons regardless of race, sex, income, disability etc. will be long term and will require substantially increased public/private partnerships. It will take time to train local leaders, state legislators, private business and the public generally. However, despite the nature and magnitude of the problem we are making a concerted effort to do everything possible to accomplish our goals. All persons should be able to have choices with regard to the type, location and cost of the housing in which they chose to dwell.

At the onset of this discussion we must recognize that all areas of the state are different in terms of the kind of housing available, affordability, location and local government approaches to housing management in their land use codes. There are however, some commonalities that are evident. The state further understands that local governments are the key players in the provision of housing. Through education all local governments must first recognize that they do have responsibility in the provision of housing for all residents. They cannot simply say housing is the private sectors responsibility and ignore what is going on around them. They need to be actively involved in evaluating the problems with housing in their communities and in developing solutions to the problems identified.

The evolution of the original 7 regional AFFH plans is ongoing based on local perceptions of the housing issues as well as their knowledge of the housing issues in their areas. All regions have prepared a plan and some have updated it annually. They have used a variety of funding sources to continue studying the problems. It is now an integral part of the consolidated planning in each region. Most of the regions are now using the plans to define impediments and to determine how scarce housing related funds may be used most effectively to address these problems that have been identified in the plans. Some continue to say that there are few if any impediments in their areas. They have all said that a diverse housing supply is the primary problem in their areas. The state plan partially utilizes these local plans in defining the fair housing issues in the state for 2000 through 2005. The state plans to provide funding to the regions to completely rewrite the AFFH plan in each region as will be outlined to them in training sessions for the 2001-02.

PUBLIC PARTICIPATION

The involvement of the public is critical in the Consolidated Plan process. The public needs to be involved in order that the intent of this plan be realized. This is especially true for the fair housing issues to be accomplished. The concept of fair share will be the biggest issue that we will need to resolve in the process. Not every one desires the construction of affordable housing or group homes near them. It is hoped that we can help people to know the reality of affordable housing through education and innovative planning and development.

Each of the seven regions in the state solicited public input on the consolidated plan and Affirmatively Furthering Fair Housing planning process. The regions used typical, advertised public hearings, scoping meetings and housing forums and new for this year were the development of committees to address these issues. These meetings were attended by a broad cross section of the public including low income persons and low income advocacy groups. In the future we are planning to become more innovative in getting the public involved, mostly in terms of getting the messages out through mailers or other mass media kind of

approaches.

The information obtained in this process may be summarized by stating that the public generally perceives affordable housing to be a problem. The magnitude of the problem is not readily understood and is most often understated. Many people feel like all persons could afford adequate housing if they made the effort to get a job. Many people also feel like housing is a private sector responsibility and when the need is there it will be taken care of by private means. There were people also representing the opposite view, that only the public sector can really make important changes giving incentives to the private sector to accomplish these public purposes. Most importantly, the public sector can accelerate resolution of the problems. The persons who are mostly targeted by the AFFH are those in our society least able to provide for themselves and are in many cases an after thought in the marketplace. There were representatives from special interest groups which made sure that special needs were represented. Input received was especially prevalent for the homeless, persons with disabilities, elderly persons and migrant farm workers. The hearings were instructional for not only the regional staff persons but also for the elected officials who are the decision makers. The lack of knowledge among all persons is one of the biggest obstacles in our way of providing fair housing opportunities. Input received has been incorporated into this document.

The CDBG Policy Committee, made up of elected officials from each of the seven regions in the state have also adopted this document and have validated the analysis of impediments and the goals set to help eliminate these impediments.

OVERVIEW

The escalation of property values and the rate of housing construction are slowing throughout the State of Utah. Growth management, however, is still a major problem. The changes taking place have caught some local governments ill prepared to plan for growth effectively. The cost of housing has stabilized this year. A rise of 75% in the cost of housing was realized. A major event has taken place over the last 2 years and it was the passage of the affordable housing planning law. This law requires all communities to prepare and adopt as part of their general plan, an affordable housing element. The plans were to be adopted by Dec. 31, 1998. Approximately half of the cities have complied. Through the development of this plan many communities have learned a lot about their unique housing situation. A manual was produced to assist the communities in their planning. It mentioned many ways to manage the impediments which are identified below. Those that prepared the plans are now better able to understand the need for varied housing types and they are recognizing that private developers and landlords are not necessarily keeping up with demand nor providing varied housing types often due to restrictive land use ordinances. A few areas have even passed affordable housing ordinances and resolutions, to assist in making affordable housing occur. Affordable housing is considered locally and by developers to be an afterthought in this growth process.

The most important relationship causing housing problems in Utah in terms of the impediments to housing choice is supply and type as previously discussed, combined with lower incomes of families limiting their ability to obtain credit or to come up with lease/rent requirements. The supply of affordable, multiple-family rental housing is critically limited on the market, particularly those with 3 bedrooms or more. And, what is available is extremely expensive. The obvious effect of the limited supply in this growth environment is cost. With the supply of affordable housing lagging behind the growth curve, landlords can and do charge much higher rents and still rent the units, although not to those that need it the most, but to those who can afford it. Therefore lower income persons live in overcrowded and sub-standard conditions because that is all they can afford or that is all that is available. In the early 90's, three bedroom apartments rented for an average of \$490/month. By 1998 the rent had increased over 65% to \$820. To rent this unit a family must have an income over \$2,733/month. Families in the 80% of median income range can just barely qualify for these units but families in the 50% of median income range or less cannot afford these costs at all. There are many landlords who refuse to properly maintain their apartments because they know that someone will rent the unit regardless of its condition.

The question is then asked, if there is this kind of demonstrated demand in the state for housing, why isn't it being built? The developers lay the blame squarely on the shoulders of local governments with their large lot zoning and conditional use permitting requirements with associated high impact fees and permit costs. There is a real conflict in rural areas of the state in that they want to preserve rural lifestyles so they pass zoning ordinances requiring large lots and low densities. They are then surprised when they compute infrastructure maintenance costs associated with extensive distances and few residents to pay for it. For political reasons there are limited opportunities to increase densities. There is a dilemma when these same communities complain about their inability to expand the tax base through economic development efforts because there is very little housing to support it. Expansion or relocation of businesses in a community will bring new people into the community and they need housing of varied types. The city limits then expand to allow for more large lots and more expensive infrastructure versus allowing a mix of housing including some with higher densities and greater affordability. Local governments have not been willing to accept the fact that there are some people in the community unable to purchase homes in the normal manner. Most rural areas need more affordable housing and programs that can help people pay down-payments and closing costs. There are some people who decide that they want to rent and not buy. There are disadvantaged persons in all communities such as disabled persons, elderly, single female heads of households (divorce, death of spouse), young adults, unemployed persons as well as the homeless, who are not able to participate in making a choice as to the kind of housing in which they would like to reside because there are so few alternatives. Private developers are discouraged from building and operating multiple family rental properties primarily because of red tape and the lack of adequate returns on the investment. There remains opposition to this kind of housing even when new innovative designs are available. The key to resolving this impediment is education and this process is very time consuming. Also, elected officials change regularly and therefore education is an on-going process.

HOUSING AND DEMOGRAPHIC INFORMATION

Utah has experienced unprecedented economic and population growth over the last few years. These growth rates are now slowing down. Housing construction has been intense and the cost of housing has skyrocketed as identified in the housing section of the consolidated plan. The state as a whole has experienced a 10% increase in population over the last 4 years. The cost of housing over the same period has increased by 60% to 70% and more in some areas. Rents have increased 60% as well. Developers have found that upscale housing continues to sell despite the stabilization of growth and rising interest rates. Their returns on these investments are high. The plight of those persons in the lower income segments of society, those who have limited employment skills or are in some way disadvantaged, is made even more difficult. In effect, they are forced into dwellings that are deteriorated or they end up paying significantly more than 30% of their income for housing. With a steady 3 to 4% vacancy rate in most of Utah, there is very little choice in what kind of housing they reside or they simply become homeless. The data collected in the consolidated planning process has shown that the groups of people most vulnerable are elderly persons, especially frail elderly (widows), mentally or physically disabled persons, persons with AIDS, Tuberculosis or Cancer, female heads of households, underemployed and unemployed persons, migrant farm workers and other legal and illegal aliens and homeless persons, etc. There is a relatively small, but growing ethnic population in the state mostly concentrated along the Wasatch Front (Salt Lake, Utah, Davis and Weber counties) which do find problems with housing choice due primarily to a lower income not necessarily their ethnic status. There is some evidence of racial discrimination. There have been very few racial discrimination complaints filed, however. There seems to be more discrimination due to religion in the state. Because Utah has a dominant religion many landlords prefer renting to members of their own religion.

There is a better mix of housing types available in the urban areas of the state, and there have been a few more vacancies in these areas. Rural areas of the state do not have a similar mix of housing types available. There are very few large unit, multiple family rental properties in rural Utah. There are a few older homes for rent but many are badly in need of rehabilitation. There are very few apartment units where families can rent

apartments at affordable rates. There has been a decided rural bias against higher density housing due primarily to antiquated stereotyping. Housing authorities exist in some areas of the state and they provide Section 8 vouchers and own and manage some scattered units where the agencies are active. There are significant waiting lists for the units which are available. In some areas the waiting list has been closed due to the 2 or 3 year waiting periods.

Based on the latest 1999 State of Utah Governor's Office of Planning and Budget estimates, the State of Utah has a population of 2,135,226 and is growing about 2% per year and its growth rate is slowing down from what has been experienced over the last 2 or 3 years. This consolidated plan covers the non-entitlement areas of the state. The cities of Salt Lake, West Valley, West Jordan and Sandy, as well as, the remainder of Salt Lake County are excluded from this plan due to their entitlement status. This reduces the population served by this plan by about 860,000 leaving 1,274,566 and further we need to subtract the persons living in the other entitlements. Ogden City (66,607) in Weber County, Provo City (102,327) and Orem City (82,383) are excluded as is Layton City (53,465) and Clearfield City (22,911) in Davis County under a special designation.

The State of Utah population is made up of 9% minority persons who live primarily along the Wasatch Mountains (Salt Lake, Utah, Davis and Weber Counties). The largest minority in the state is Hispanic (5%) followed by Asian (2%), Native American (1.5%) and African American (.5%). There are 2 large Native American reservations and 2 smaller areas in the state where a majority of the Native Americans live. They are in the northeastern area of the state, the Uintah/Ouray Reservation and the extreme southeastern part of the state, the Navaho Reservation. The Navaho Reservation is primarily in Arizona with the northern extension in Utah. The Goshute and Shivwits reservations are both near the Nevada border in extreme western Utah. The reservations have severe housing problems, perhaps the most acute in the state. Some state resources are being used for rehabilitation and construction of new housing. The funds are only dealing with a very small portion of the needs that are prevalent.

The income characteristics of the state show lower per-capita income (\$9,791) than other states in the west due primarily to a high birth rate and a large number of persons in younger age classifications. There is slightly less than half of the population living in the State of Utah which are classified as having a low or moderate income based on HUD's definition of 80% of median income or less. One of the most perplexing problems in the state is the significant number of people who are underemployed. In rural economies, which are often centered around tourism, most available jobs are low paying service type jobs. Currently we have a very low unemployment rate that has remained at or just above 3%. There are areas with higher unemployment such as in the Southeast and Uintah Basin. Many of the employed persons have lower paying jobs without much opportunity for advancement. The state has a very high rate of graduation from high school and is higher than the national average in the percent of persons with college and post-graduate degrees. An atypical percentage of minority persons are in the lower income categories and due to limited incomes, correspondingly, a higher percentage of minorities live in inadequate housing. There are approximately 44,000 housing units (37%) in the non-entitlement areas of

the state in need of significant rehabilitation. These homes are primarily owned by and occupied by persons with incomes that are in the 80% to 30% of median income range. Many of these families are minorities.

This analysis will attempt to identify and plan for the resolution of impediments that result in limiting the housing opportunities for all persons in our society.

HOUSING PROGRAMS AND RESOURCES

An increasing amount of financial resources of the State of Utah have been directed toward housing in recent years and there is more funding available at this time in the public sector than ever before. The state receives funding from federal and private sources and the Utah State Legislature has capitalized the Olene Walker Housing Trust Fund consistently over the last few years. The trust fund now has assets of about \$35,000,000. The goal is to capitalize it at \$100,000,000 and then it will be self-sustaining. The Division of Community Development administers the various HUD programs including HOME, Emergency Shelter Grant and Housing Opportunities for Persons with AIDS. About 10% of the yearly CDBG program funds are spent on housing related projects over the last several years. That is not done as a set aside, but is done as cities and counties decide due to the magnitude of the problem to do something about it. The number of housing related projects funded each year is totally based on how many are actually generated by eligible applicants. The Utah Housing Finance Agency, partially financed by the legislature, is very active in providing first time homebuyer mortgages and is now branching out into innovative LMI housing programs such as the Crown Home and Champ Home Programs. UHFA is the agency in the state that administers the Low Income Housing Tax Credit Program. The Department of Housing and Urban Development and the Department of Agriculture (CEDP) both have housing programs administered directly to homeowners or through banks and mortgage companies for lower income families. Many housing authorities and regional agencies access these funds for their residents.

Private for-profit housing developers normally have their own funding available or use banks, mortgage companies and others to provide a majority of the financing of housing development. These companies often seek partners in doing affordable housing where the returns on the investment may not be high enough to make a project work conceptually. The public sector involvement decreases the development cost and increases the return to the owner.

Non-profit agencies are playing an increasingly large role in the provision of housing. Community or neighborhood based agencies are getting involved through the use of foundations/private donations and public fund grantsmanship. The network of housing authorities also provides extensive housing in areas where they have trained, active staff. They administer the section 8 voucher program and they also get involved in housing rehabilitation, multiple unit, subsidized rental properties etc. These agencies provide services that no one else can and in some instances need assistance financially and technically. Many of the staff persons are volunteers or are paid very little and need some assistance in order to accomplish their goals.

The homeless population is served by a variety of programs statewide primarily made up of non-profit agencies sponsored by local governments. Significant improvements have been made over the last 2 or 3 years to increase the facilities available for the homeless. For a long period of time the Travelers Aid shelters in Salt Lake City attracted people from all over the area. Over time, questions were asked about fair share housing and the "continuum of care" concept. How much homeless care should one community provide when the clients were coming from numerous other areas. Every community should provide facilities for their residents who become homeless and with some excess capacity may take a percentage of those from other areas. Many communities now have rape crisis centers or abuse shelters where woman and children can go to find refuge and counseling. Some areas which have relied upon local motels for temporary housing for the homeless, are now buying and rehabilitating structures which can provide housing for a larger number of people in a more cost effective manner. Mental health programs in many areas have been provided to assist those homeless persons who are mentally disabled. A list of the agencies in specific areas whom are

responsible for these programs can be obtained from the local association of governments office or by calling the state.

IMPEDIMENTS TO FAIR HOUSING CHOICE FOR ALL PERSONS

The complex housing situation in the State of Utah is made more difficult due to multiple impediments put in the way of persons seeking the kind of safe, affordable, clean, un-crowded, housing to which all persons regardless of race, sex, religion or income are entitled. In order to identify those impediments statewide, the State of Utah contracted with the 7 associations of government in the state to conduct their own analysis of impediments with regional specificity and to identify local alternatives to resolving these issues. The cumulative output of this analysis is represented in this section in terms of the importance or prevalence of the impediment as represented most commonly throughout state. These common problems, from a statewide perspective, provide the most significant opportunities in which to do the most good for the largest number of persons.

a. Personal Income and Credit Worthiness: Personal income in Utah remains one of the lowest in the country. All persons would likely be able to find improved housing if their family income were also improved. The UHFA gives first time homebuyer's assistance in paying for their new home. Due to lower incomes many persons cannot make choices were to live. They live by default wherever they can find something in their price range. Often this is in deteriorated, unsafe or overcrowded housing. These people are usually employed. Jobs that pay minimum wages do not allow families to make inflated rent or mortgage payments. They are the families that the bank or landlord turns down due to housing costs being more than 30% or 40% or even 50% of their incomes. They are the families who have little education and the lack of marketable skills or training.

As indicated earlier, the State of Utah has a low per-capita income and we have low un-employment, therefore there are a lot of full time jobs which are held by persons with families which pay slightly more than minimum wage which is not enough to support a family, especially to pay for inflated housing costs. For an average 3 bedroom apartment, in acceptable condition, a family of 4 or 5 must pay \$750 to \$800 per month in the urban areas of the state. A family would pay somewhat less in rural areas but the wages are correspondingly lower in rural areas. At 30% of family income, a family would need to make at least \$28,000 per year to pay the rent for an apartment to be classified as affordable. Persons doing custodial work, fast food workers, retail sales and some low skilled assembly line workers, do not make that much money. They must therefore find a smaller, cheaper apartment or find additional sources of income such as a second job for the primary wage earner or the spouse must get a job or both.

Besides personal income, credit worthiness or qualifications for rental properties and mortgages are the next most significant barriers to fair housing choice. Mortgage companies and now even landlords do credit checks and if there is a history of late payments, credit withdrawals or bankruptcies a person will not have as many choices in the housing market. If additional job training opportunities were available so that with marketable skills a person could earn a higher income and assistance given to help a family learn how to manage the income, there would be less of a housing problem in the state. Of course, then the question is asked who would take all of those service sector jobs? There are opportunities available in the state for training but they are limited and not available universally. There is very poor outreach to lower income people to educate them on these opportunities. If assistance can be given to the family to help with closing costs or rental deposits, often quite costly, lower income families could obtain housing and either improve their credit history or in the case of younger persons, establish their own credit.

The correlation between economic development efforts and housing cannot be understated. Job creation, job enhancement, training and job development, must be a large part of the effort to generally make housing choice available to a larger number of families. If income can be increased then the housing that is available can be more readily obtained.

Impediment Resolution Objectives:

Develop home buyer assistance programs including financial counseling, employment counseling and training programs, first time home buyer and down payment assistance programs, credit counseling and credit resolution funding.

Time frame: Ongoing, in that each year funding decisions are made individually depending upon rating and ranking (CDBG) and board decisions (HOME, ESG, HOPWA). Training and education of decision makers so that they will sponsor applications to address these issues will be ongoing.

Workshops will be created in each region over the next two years, 1999 and 2000.

b. Housing Availability and Housing Type: The State of Utah has experienced economic vitality unprecedented in our history. The economy is now slowing down but certainly not going away. Due to this prosperity all sectors of the economy are growing including housing. Many new housing units are being built but the difference in the number of more expensive single family homes compared to the much lower number of higher density rental housing units is significant. There is variation from one area to another depending upon economic conditions, land use ordinance restrictions and public and elected official attitudes. The optimal economic conditions in the urban areas of the state have existed for 3 or 4 years and over that time developers have built primarily single family homes. There have been modest increases in the last year in the number of rental properties developed. Most of the units are marketed to the middle to upper income tenant. Despite this development there remains only a 3 to 4% vacancy rate in the Salt Lake valley area. There is not much difference in the rural areas. Vacancy rates remain low because there is little new recruitment to the number of rental properties available. The current trend is to develop some mixed income apartment complexes not built in a traditional high-rise manner. But it is not keeping up with demand. There are also extreme limitations in the number of housing units available for persons with special needs such as disabled persons, homeless persons and the elderly. There continues to be limited areas where the allowed density is consistent with apartment complexes. Non-profit generated affordable housing and housing authority managed development has been steady but is continually falling behind the need as evidenced by long waiting lists of eligible low income persons. There is a significant need to increase funding levels for these agencies to not only construct new units but adequately maintain the current inventory.

The limited supply of housing has the market effect of driving up the cost of housing. Vacancy rates along the Wasatch Front have been edging up somewhat as some additional apartment complexes are built. Vacancies rates remain very low for "affordable" units. The cost of acquiring a new home or renting an apartment continue to go up but not at the same rate as has been experienced over the last few years. A typical 3 bedroom apartment in the Salt Lake area now rents around \$800. The rural areas continue to experience housing shortages due to the very limited increase in new units constructed.

In many of the more rural parts of the state the economy is not as robust and the construction of housing is not being developed at the same pace. There are significant biases against affordable housing due to long held opinions that higher density, affordable housing complexes are never maintained, rapidly deteriorate and become law enforcement problems. Based on these concerns many rural communities control this kind of development through low density zoning limitations or conditional use requirements. In most areas there is demand for a variety of different housing types but the supply is not there to meet the demand. The typical situation in rural Utah is characterized by a large amount of single family housing on large lots and low densities, most of which is older and the newer homes are often much more expensive. There are a few affordable housing units available some of which are older, fix-up type homes and some are newer first time homebuyer units often of a manufactured origin. The rural areas of the state rely on mobile homes in mobile parks or on individual lots to meet the demand for "affordable" housing. There are a few multiple family rental housing units available usually in the form of duplexes and the very rare 4-plex. It is rare that small towns have anything larger than a 4-plex. Because most small towns plan around preservation of low

densities and the rural lifestyle a residents housing options are limited to buying or renting a single family home or finding a site for a mobile or manufactured home with no basement to expand into. To be able to rent whatever more affordable housing available they must wait with numerous other persons for a vacancy in a mobile home or in the few duplex's or 4-plex units. In the meantime they live in overcrowded conditions or live in unacceptable, deteriorated housing in unincorporated areas with no services. There just are no other options available to them. There are extremely limited numbers of large (3+ bedrooms) rentals available in rural areas. The availability of affordable units, accessible units for disabled persons and limited care facilities for elderly and mentally disabled persons is also not available or is not keeping up with demand.

Fully accessible housing for persons with disabilities is in severely limited supplies and on that basis we encourage that there be some accessible units constructed in every project gaining benefits from any of the funding resources available from HUD or the State of Utah.

Impediment Resolution Objectives

Train local government officials concerning the extent of the housing problem, alternative definitions of affordable housing type, alternative zoning techniques to maintain community goals while providing additional housing types. Continue momentum of the Utah affordable housing planning law by further assisting communities to complete appropriate housing plans.

Time frame: On-going over the next 5 years due to the slow process of changing attitudes and the constant change in elected officials.

Provide some incentives to provide diversity in housing types, funding sources, competitive programs, state priorities, infrastructure financing programs, etc. Time Frame: One year based on funding availability.

c. Land Use Ordinances: Some anecdotal indications of what happens in much of rural Utah might be helpful in trying to understand the attitudes of planning commissions. An affordable housing project in a community in Utah was proposed, designed and a funding package put together with a variety of private and public sources. From initiation of the application to the planning commission to the commencement of construction took approximately 3.5 years. During this time conditional use permits needed to be obtained, parking lot requirements needed to be met, color schemes and architectural designs needed to be modified, zoning limitations needed to be adjusted, additional funds needed to be obtained to pay for inflated costs of materials, approvals of water, sewer and storm drainage lines needed to be approved by 3 different agencies and rights of way and easements needed to be obtained. In addition, the developer put together funds from the HUD HOME and CDBG programs, Low Income Housing Tax Credit Program, bank loans for construction and mortgage long term and investor loans. An attorney was kept busy preparing contracts, agreements, protective covenants, etc. All in all, the process of constructing affordable housing projects is a very onerous one which many companies and individuals are unwilling to do more than once. Some very rural projects do not have to meet these stringent requirements they are simply not allowed due to density limitations.

In another case a fill-in approval on an unusable parcel of property was not issued due to strict interpretation of the zoning ordinance restrictions. A high quality affordable unit could not be built on the site. The variance could not be obtained even though the current zoning would have permitted the use on a somewhat larger lot. The property remains vacant and no additional affordable housing was built. Set back requirements could have easily been reduced by the board of adjustments without compromising the ordinance.

The cost of obtaining building permits and other associated permits is often prohibitive to affordable housing, as well.

In the analysis of housing conditions done for this plan it was apparent that much of the planning done in rural areas is out of date and is done without taking into consideration such things as fair housing laws, current case law changes, changes in state law as well as current, up to date information about what is really going on in the community. Many towns are doing things the same way as they have always done them and as such are not addressing important needs such as affordable housing and extensive rehabilitation needs. Through planning and zoning education concerning the need for housing diversity and how to accommodate it while maintaining quality of life, there may develop a more positive attitude towards the need for diverse housing resources in the community.

The moderate income housing planning law passed by the Utah Legislature requires all counties and cities in the state to conduct a review of their ordinances as they relate to affordable housing. The law stipulates that they analyze what they can do to adjust their ordinances to more appropriately deal with affordability issues. An implementation plan for obtaining an adequate supply of affordable housing is also required by the law. As mentioned previously, the state has developed an "Affordable Housing Manual" which has helped several communities to create such a plan and integrate it in to their general plan. The current state of zoning in most communities is a definite impediment to fair housing choice. However, with education, accurate information and the use of creative and innovative management practices solutions can be developed without compromising the integrity of the ordinance itself.

Impediment Resolution Objectives:

Use the momentum of the Affordable Housing planning law to continue to evolve housing planning in Utah.

Assist each community to complete their plan in that it requires an analysis of their ordinance base evaluated on the basis of its effect on affordable housing specifically. The AOG's will be the agencies through which this technical assistance will be provided.

Time frame: All plans completed by the end of the year 2000.

d. Housing Quality: Data, although now somewhat dated, shows that there were at least 44,000 units in need of rehabilitation several years ago. This remains about the same despite the expenditure of millions of dollars to do rehabilitation. Many of these houses included in this number have code violations and are unsafe for the families or individuals (often elderly, single females) who live in them. In some cases these houses are vacant and with some rehabilitation could be a source of additional affordable housing. The conclusion that has been reached is that lower income families that have little or no ability to make the necessary repairs on their house occupy these homes. They may be barely able to make the mortgage or rent payments. Many of these deteriorated homes are rented to low-income families and the landowner is not inclined to make the necessary repairs because of the tight market. Unless there are public programs made available to convince a landowner to make the improvements nothing will happen.

Owner occupied homes are much more likely to be rehabilitated when funds are made available in the form of grants or loans. Unless there is public sector low interest loan or grant made available to low income owners very little will be done to improve the home.

There is a need to incorporate partners in this effort to rehabilitate homes. If an estimate is made of \$10,000 per home and of the homes needing rehabilitation an assumption is made that 75% are occupied by low or moderate income persons, the capital needed to repair these homes is over \$300 million. Government alone cannot, in a timely manner, resolve a problem of this magnitude. Participants need to get involved with the understanding that funds will not be paid back quickly because many participants would have limited ability to pay. Private investment could be made in the case of rental property rehabilitation. However, returns will not be great in that the need is to provide incentives for affordable rental properties to be brought up to standard at a reduced cost to the owner so as to insure a return on the investment.

Impediment Resolution Objectives:

Continue to fund rehabilitation programs throughout the state so that funds are available in each region of the state to assist homeowners to make necessary improvements in their housing conditions.

Develop emergency home repair programs in all areas of the state to assist LMI persons to replace essential water, sewer, heating, electrical repairs, etc. immediately when problems occur.

Time frame: Implement regional rehabilitation programs by the first part of 2000. Continue to work with the funding agencies to maximize funds available to pay for program implementation based on need and funding availability.

e. Lending and Real Estate Sales Practices: Through extensive research conducted in accordance with this AFFH plan and the consolidated plan it was determined that although lending practices do preclude some persons or areas from receiving mortgages, there is usually enough money available if a person is first, able to qualify for a loan. Specific lending practices in the state are not really an impediment to fair housing choice. Most banks and mortgage companies will make loans in most areas of the state. They appear to have strict anti-discrimination rules and seem to loan money in all areas of the state. Enforcement of these rules may not be adequate but there did not seem to be a significant problem. It is more difficult to obtain a loan in the most rural areas of the state due to the fact that there are no offices available and a person would need to travel outside of their area to get to a satellite office. These remote offices rarely have final approval authority. Time is spent waiting for a higher level of authority in Salt Lake City to approve the loan. Areas like Daggett, Emery, San Juan, Wayne, Piute, Rich, Garfield, Kane and remote areas of Box Elder, Millard and Beaver Counties are examples of remote, rural areas where it is more difficult to obtain mortgage financing, although not impossible.

The real estate market in many areas of the state has been growing rapidly. With increasing interest rates the trend should slow down. Banks respond in those areas where they can make the most money. The same areas that have limited access to mortgage financing are also limited in real estate opportunity. Real estate developers are functional in those areas where the economy is secure and infrastructure is available. They cannot really function effectively where people are unemployed or underemployed and where there is not enough water and sewer capacity to accommodate new homes.

Mortgages for the purchase of older properties is less available. Depending upon the qualifications of the buyer, it appears that funds can be available for the purchase or construction of multiple family rental properties, as well. Finding a site and obtaining approval to build is a much more difficult concern.

The issue in Utah limiting the availability of housing financing is not necessarily availability of mortgage financing but more importantly the problem is affordability, as discussed earlier. Low income persons can

not qualify for the financing which is available. Interest rates are now increasing and are now an impediment. But, mortgage availability alone is not enough because of the lack of available housing and its affordability. Currently mortgage companies can make all of the market rate loans they want. In this current market environment, banks and mortgage companies may be very conservative in their loaning practices. Persons with jobs, making more than median income would be able to obtain financing virtually anywhere in the state.

Persons who have a job but are making 80% or less of median, CDBG eligible families, may not be approved unless they had some additional funds for a down payment and closing costs. Often these additional costs are the limiting factor in making home ownership happen.

Developers desiring to do multiple family housing can in most cases find financing but often can not obtain zoning changes or building permits due to limitations on this kind of higher density development. Due to the current low vacancy rates most lenders will consider this kind of development especially if there appears to be good management capabilities as well as a thorough underwriting. The decisions on these kinds of projects are all made at the main offices.

Impediment Resolution Objectives:

An evaluation of the effect of the Home Mortgage Disclosure Act will be undertaken during the 2000 year.

Develop and implement increased home ownership programs such as down-payment and closing cost programs.

Time-frames: Implementation of the homeownership programs will be on-going until all areas have the program implemented by 2002.

f. Infrastructure

Often the lack of infrastructure is not a limiting factor but in some specific cases the lack of infrastructure capacity in local areas limits the kind and number of housing units that may be developed. In some cases the provision of these services will take major capital investments to bring a system into compliance with state standard as well as to build in some excess capacity for growth. Most communities are unwilling to make major investments unless they are sure growth is imminent or is actually occurring and that it will pay its share of the cost.

Impediment Resolution Objectives:

Improve the quality of the infrastructure analysis required as part of this plan. This will be done over the next one to two program years. A specific infrastructure plan related to housing will be produced for the 2001 Consolidated Plan update. Many communities have adopted impact fee ordinances with intent of making development pay at least partially for its share of the costs of infrastructure support. Often these ordinances are very effective in alleviating the burden of paying for growth from existing residents. Often these costs themselves are impediments to affordable housing in that the costs are born by the developer when the return on the investment is marginal. The community can wave or reduce these fees in order to facilitate this kind of housing as their participation.

g. The “Not In My Back Yard” Syndrome (NIMBY)

It is pervasive in the rural parts of Utah that persons desire large lots, low density and freedom from laws and planning restrictions. When a 4-plex rental development is proposed the citizens show up in force in zoning hearings and subdivision approvals before the city council. This was a major issue addressed in the Utah Affordable Housing Manual and some ideas were proposed as to how to deal with this problem. Special needs housing is the most susceptible kind of housing to NIMBY problems. Group homes for disabled persons, behavioral or substance abuse related housing, shelters and most types of transitional housing are also subjected to NIMBY mostly due to fear, density, lack of information, mistrust of elected officials and law enforcement, change in lifestyle, etc. Most of these fears are unfounded but local government could do a better job of involving citizens in finding solutions to these problems. Many of these issues could be resolved by allowing the public to speak out on the issues and carefully listen to the concerns and in consultation with these persons work out mutually agreeable solutions in good faith making tradeoffs and compromises as necessary.

Impediment Resolution Objectives:

Education is the key to dealing with NIMBY and so we will prioritize public education on all housing issues. This will include training by regions and the state with elected officials and then citizens which will be ongoing because changing popular opinions can not be done over time.

Development of a transferrable zoning and conditional use ordinance for use throughout the state for the management of special needs housing. The ordinance will take into account all of the fair housing requirements as well as recent legal case law in order to come up with something very current which cities and counties can use to manage this kind of housing. This is a component of the one-year action plan.

AFFIRMATIVELY FURTHERING FAIR HOUSING GOALS AND OBJECTIVES

The resolution of the housing problems addressed in this document will be a complex and long term proposition and will demand several key elements some of which have been taken care of or are in the process of being resolved. These elements must all be present in each community, county and region which embarks on a program to dismantle these impediments. Each of these levels of government must be participants in this effort. The solutions cannot be obtained unless a partnership can be formed with all players who can contribute in a variety of ways. What it really comes down to, however, is local and regional government acting as the catalyst for making any solutions happen. In reviewing goals and objectives contained in each of the regional plans and from the perspective of the State of Utah, there are several recurring themes which will be incorporated into this plan. These goals are listed in descending order of importance.

a. Education: All persons in the state must be educated as to the real housing situation. High quality data must be developed and presented in various ways in order to make as many persons as possible aware of what is really going on and what can and should be done to alleviate the problems. Television, newspaper, radio, need to be involved. Special interest forums, meetings, presentations, etc. should be held to get the message out. Before the message goes out the messengers must be convinced that the problem exists and that local governments are who should take the lead in making change occur. Elected officials will be the initial target of education efforts. Then as plans are prepared, discussed and adopted the elected officials will be able to see what is really going on and will be better able to determine how they can be involved and what they need to actually do to make solutions happen.

A technically competent affordable housing manual has been developed and multiple copies sent to every city, town and county in the state. Some have used it to develop an affordable housing plan. Some have ignored

it. We also have hired the 7 regions of the state to go out into each city and train elected officials and planning commissioners on preparing the plan. If they prepare the plan they will learn a lot about the affordable housing dynamics in their community and come up with some ideas of the magnitude of the problems and good ways to resolve them. Workshops have been held throughout the state with mixed success. Our new goal will be to provide new training with each city on affordable housing and the impediments found in their communities.

b. Planning: For 2000 the State of Utah Consolidated Plan is being completely rewritten with the intent of beginning a new 5 year planning horizon. During this process further definition of the problems occurred. New data was collected, new public involvement was implemented, more communities were actually involved in detailed housing planning. Capital investment plans were amended to not only deal with infrastructure support of housing as well as the development of new housing in a variety of innovative ways. Economic development continued to improve the earning power of individuals, however, in very small increments.

The state will continue to fully implement HB 295, the Affordable Housing Planning Law, through intensified technical assistance. The identification of impediments to the development of affordable housing especially that of land use control limitations will be highlighted. This will be done in close coordination with the consolidated plan and will actually be part of the general plan of the community. This will identify what the community will do to address the low income housing needs of the community now and 5 years into the future.

c. Partnership Development and Organization: Over the last few years the regions in the state have identified in their regional consolidated plans the creation of housing organizations which will be responsible for helping to create planning documents as well as be responsible for implementation efforts. There have been some major successes and some dismal failures so far in our efforts to accomplish improved partnerships. We will continue to work with the various failures to bring them in line with other areas. Many participants have been educated but because of the magnitude of the problem it will be ongoing over the next 5 years period, as well. There will be private for-profits and non-profits including housing authorities, local governments, health and social service providers, investors, church leaders, interest groups representing low income persons and especially developers and real estate agencies as well as other interested parties all involved in this effort. It will take a lot more time to fully change minds and approaches. Each of the regions will be the catalyst for making this all happen. They will create committees and involve representatives from the elderly, disabled, ethnic and housing communities to be involved. They will host workshops and organization meetings on the issues, and make sure as many potential funding and coordinating entities obtain full buy-in into this snowballing process.

Local areas may decide how they want to organize their own partnerships. In some areas it may make the most sense to create it at the regional level. In others it may seem best to create it at the county or community level. The consolidated plan will identify how this will be done in their own region. The key to successful partnerships is to involve the "movers and shakers" in the community both in business and government. These groups must include any persons who have financial resources which may be used to resolve the problems.

d. Funding: The financing of programs and solutions to identified housing issues is very important in order to really make a difference. Innovation, creativity, patience and forbearance, must all come together to make a difference. The government side of the equation should assist in the effort by obtaining maximum public sector assistance through grantsmanship, administration and organization, education, etc. Focused efforts to educate the Utah state legislature on housing issues will assist to increase the general fund annual appropriation to the Olene Walker Housing Trust Fund. During the 1998 legislative session the legislature passed Senate Concurrent Resolution I endorsing the goal of capitalizing the Fund at \$100 million. The Trust Fund has grown to \$35,000,000. This will be done within our next 5-year planning period. When funds are made available through grants and loans the funds must be used to attract and leverage other public and

private sector financing. No source of money should be left untapped. All federal agencies, HUD, CD (Farmers Home Administration, CSBG, Energy (Weatherization), etc. should be used. Applications for all state programs identified in the consolidated plan should be made. Banks, investors, retirement funds should all be involved. Funding will not just be used for housing itself but will be used for infrastructure improvements and economic development. Money alone will not solve the problems but must be a part of the solution. As mentioned in other goals, education is the key to making this happen.

e. Economic Development: The effort to create high quality jobs universally throughout the state will be critical in this overall equation ultimately leading to better quality of life for families, not only better housing conditions. Currently there seems to be some complacency in the economic development arena because of the overall health of the economy in Utah. There are some areas of the state that are not full participants in this prosperity. However, now is the time to work with these communities and regions and help them gain full buy-in in these good times. Efforts should also be concentrated on developing higher quality, higher paying jobs. We need to continue to make funds available for small business development within communities that will create jobs for low or moderate income persons. We will also work with all areas of the state to have equal training opportunities so that all persons regardless of their situations can participate. The priority should be on expanding existing businesses not attraction of outside companies. The second priority will be to increase training opportunities so that lower income persons can improve their ability to obtain new higher quality jobs created. Low income persons can enhance their skills and find employment which will actually increase their earnings and make more housing choices available.

f. Model ordinance development: Develop new state of the art model ordinances for the management of special needs housing or group homes that can be used by every community in the State of Utah.